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Poultry Situation in North Korea

North Korea was formally established in 1948 when the Korean peninsula was divided into two: the Republic of Korea (South) and the Democratic People's Republic of Korea (North). North Korea shares borders with China, South Korea, and Russia, and is one of the world's most isolated and poorest economies.

Mountain ranges cover 80 percent of the land and 18 percent of the land is arable. Farming is concentrated in the flatlands on the west coast. Poultry is raised near Pyongyang and in North Pyngan and South Hwanghae provinces. North Korea has grown from a predominately agricultural society in 1946 to an industrial one due to rich mineral resources and hydropower. The labor force is now 36 percent agricultural and 64 percent nonagricultural.

North Korea - Livestock Population, 1996-2003 ('000 head)

	1996	1997	1998	1999	2000	2001	2002	2003
Chicken	8,871	7,547	8,965	10,371	14,844	15,804	17,259	18,711
Ducks	1,098	822	1,372	1,624	2,078	3,158	4,189	4,613
Geese	554	357	462	829	889	1,090	1,247	1,247

North Korea has focused on developing a modern poultry industry as a main source of animal protein and a potential export product to bring in hard currency. The armed forces have been used for much of the farm construction. In December 2001, the state created a special state agency in charge of breeding chickens and ducks. Live inventories grew from nine million in 1997 to an estimated 26 million in 2004.

Poultry Production in thousand metric tons

	Growth Rates		
	World	North Korea	South Korea
2000	69,073	27	418
2001	71,563	31	422
2002	74,289	34	437
2003	75,985	36	429
2004 (p)	77,213	37	420

p - preliminary Source: FAO

A South Korean firm was about to start importing 40 MT of chicken per week, for a total of 2,000 MT. It would have been the first time in 50 years that South Korea had imported poultry from North Korea. Early in March a South Korean news agency reported that avian influenza had broken out in Pyongyang, the capital of North Korea. The imports were put on hold. China, Japan and Hong Kong also suspended poultry imports from North Korea.

On March 27, North Korea's official Korean Central News Agency announced that at least three of the country's poultry farms had outbreaks of avian influenza, including the Hadang chicken farm, one of Pyongyang's largest. Soldiers buried and burned hundreds of thousands of chickens to prevent the disease from spreading and troops are quarantining the areas. South Korea and China have taken action to prevent the disease from spreading over the border. Jilin province borders North Korea and is China's largest poultry producer and export base.

An H7strain of avian influenza was identified in April 2005. H7 had previously been undetected in Asia. In 2003, the Netherlands had outbreaks of H7N7 and in 2004 Canada had cases of H7N3.

Source: UN Food and Agriculture Organization, CIA Factbook, U.S. Library of Congress, World Health Organization, news wires

Canadian Poultry Imports

Under the World Trade Agreement on Agriculture in 1995, Canada eliminated its quantitative import restrictions on poultry and eggs and imposed Tariff Rate Quotas on these products. After signing NAFTA, Canada announced it would apply the higher of either the WTO or the NAFTA formula level for poultry and poultry products. The current Canadian WTO access level for chicken is 39,844 MT. The NAFTA level for 2005 is 69,700 MT (based on 7.5 percent of the previous year's chicken production in Canada.) Canada does not apply the TRQ to meat from spent fowl.

Canada has allowed imports of Brazilian chicken since it approved the poultry meat inspection system of Brazil in July 2002. In the first year, Canada only imported .089 metric tons of chicken. In 2003, imports grew to 2,981 MT, compared to 61,088 MT from the U.S.

Canada: Imports of Fresh or Frozen *Chicken, in metric tons

	January-December			% chg 04/03
	2002	2003	2004	
The World	64,387	64,070	86,154	34%
U.S.	64,387	61,088	67,137	10%
Brazil	.089	2,981	18,949	536%
Malaysia	-	-	50	-
Others	-	.3	18.0	-

In 2004, Canada experienced a shortage of chicken due to an outbreak of avian influenza in British Columbia, which resulted in the depopulation of 75-80 percent of the provincial flock. Under a special import provision, International Trade Canada (ITCan) can issue supplementary import permits if the department determines there is a shortage in Canada for a particular cut or type of chicken. Issuances of supplementary import permits allowed record level imports in 2004.

Canada: *Chicken Imports from the U.S. and Brazil,

	Average Price \$US per KG		
	2002	2003	2004
U.S. Chicken Imports	1.81	2.00	2.38
HS 020714	1.57	1.47	2.09
HS 0207139100	1.92	2.29	2.54
Brazil Chicken Imports	1.48	1.49	1.77
HS 020714	1.48	1.49	1.76
HS 0207139100	-	2.78	2.73

* excluding spent fowl

According to ITCan, Canadian demand for Brazilian chicken was for frozen wings and frozen boneless breasts for the foodservice industry.

Source: USDA/Foreign Agricultural Service

Inspected Egg Products-U.S. & Canada Export/Import Trade**U.S./Canadian Live Poultry Slaughtered Under Inspection**

W/E Mar 26, 2005 (PRELIMINARY)

U.S. Exports to Canada, in Pounds (000) (Preliminary)

Week Ending March 26, 2005		Year-To-Date		
TYPE	2005	2004 1/	2005 2/	2004
Liquid	311	288	2,637	1,974
Frozen	0	0	0	0
Dried	18	0	79	187
Total	329	288	2,716	2,161

U.S. Imports From Canada, in Pounds (000) (Preliminary)

Week Ending March 26, 2005		Year-To-Date		
TYPE	2005	2004 1/	2005 2/	2004
Liquid	105	38	1,925	1,122
Frozen	44	7	302	339
Dried	0	39	300	744
Total	149	84	2,527	2,205

Inspected Shell Eggs**U.S Exports To Canada, In 30-Dozen Cases (Preliminary)**

Week Ending March 26, 2005		Year-To-Date		
TYPE	2005	2004 1/	2005 2/	2004
Jumbo	0	0	33	50
Extra Large	2,200	0	5,500	3,450
Large	1,970	0	12,630	11,053
Medium	810	1,590	11,835	9,870
Ungraded	3,858	4,446	7,700	19,424
Misc	0	2,190	2,263	2,190
Total	8,838	8,226	39,961	46,037

1/ Comparable Week, to-date figures may not total due to rounding.

2/ Includes revisions to previous week(s).

Data Source: Agriculture and Agri-Food Canada, AISD, AID, Poultry Section

Source: USDA/AMS Poultry Programs, Market News Branch.

CENTRAL REGION MECHANICALLY SEPARATED CHICKEN

F.O.B. SHIPPER DOCK OR EQUIVALENT, PRICES NEGOTIATED FOR MECHANICALLY SEPARATED CHICKEN IN THE CENTRAL REGION IN TRUCKLOT AND LESS THAN TRUCKLOT VOLUMES, CENTS PER POUND, DELIVERY WITHIN TWO WEEKS.

Apr 01, 2005

CHICKEN WITH SKIN ADDED

--- PRICES ---		---- VOLUME ----		
FAT				
CONTENT	FROZEN	FRESH	TOTAL	EXPORT
15% OR LESS				
RANGE	-	26.00-27.00	142,800	-
WTD AVERAGE		26.57		
15-20%				
RANGE	24.00-29.00	13.50-23.00	1,060,800	163,200
WTD AVERAGE	26.67	17.26		
20% OR MORE				
RANGE	-	-	-	-
WTD AVERAGE				

* INCLUDES THE STATES of AL, AR, IA, IL, IN, KS, KY, LA, MI, MN, MO, MS, ND, NE, OK, OH, SD, TN, TX, WI

U.S. Fowl Slaughtered Domestically

	Light Hens	Heavy Hens	Total Hens
-----Thousands-----			
Head	1,711	1,356	3,067
Last Week	1,385	1,402	2,787
Same week yr ago	1,254	1,222	2,476
To-date/2005	17,631	15,677	33,308
To-date/2004	15,274	15,206	30,480

U.S. Fowl Slaughtered in Canada

	Light Hens	Heavy Hens	Total Hens
-----Thousands-----			
Head	110	0	110
Last Week	218	0	218
Same week yr ago	216	11	227
To-date/2005	3,460	11	3,471
To-date/2004	2,938	39	2,977

****Light hen year ago on 3/25 report should have been 202.****

Data Source: Agriculture and Agri-Food Canada, AISD, AID, Poultry Section

Total U.S. Fowl slaughtered in the U.S. and Canada

	Light Hens	Heavy Hens	Total Hens
-----Thousands-----			
Head	1,821	1,356	3,177
Last Week	1,603	1,402	3,005
Same week yr ago	1,470	1,233	2,703
To-date/2005	21,091	15,688	36,779
To-date/2004	18,212	15,245	33,457

Source: USDA/AMS Poultry Programs, Market News Branch

EASTERN REGION MECHANICALLY SEPARATED CHICKEN

F.O.B. SHIPPER DOCK OR EQUIVALENT, PRICES NEGOTIATED FOR MECHANICALLY SEPARATED CHICKEN IN THE EASTERN REGION IN TRUCKLOT AND LESS THAN TRUCKLOT VOLUMES, CENTS PER POUND, DELIVERY WITHIN TWO WEEKS.

Apr 01, 2005

CHICKEN WITH SKIN ADDED

--- PRICES ---		---- VOLUME ----		
FAT				
CONTENT	FROZEN	FRESH	TOTAL	EXPORT
15% OR LESS				
RANGE	18.25	18.25-26.00	488,000	208,000
WTD AVERAGE	18.25	21.57		
15-20%				
RANGE	14.00-28.00	22.50-25.00	2,376,000	1,776,000
WTD AVERAGE	21.96	23.77		
20% OR MORE				
RANGE	-	19.00	120,000	-
WTD AVERAGE		19.00		

* INCLUDES THE STATES of CT, DE, FL, GA, MA, MD, ME, NC, NH, NJ, NY, PA, RI, SC, VA, VT, WV

NATIONAL YOUNG TURKEY PARTS AND BULK MEAT, FROZEN (UNLESS SPECIFIED), CENTS PER LB., DELIVERED FIRST RECEIVERS, PART AND FULL TRUCKLOTS AS OF 01 APRIL 2005.

The market tone on tom breast meat, destrapped tenderloins and breast trim was steady to fully steady, scapula about steady, fresh wing meat with skin steady while frozen remains barely steady at best. Demand moderate to active on fresh tom breast meat, balance of white meat ranged from very light on frozen wing meat with skin to instances moderate on the balance. Offerings of fresh tom breast meat light to instances adequate with some noting increased spot availability, frozen wing meat with skin exceeds the limited buyer interest, frozen destrapped tenderloins and frozen tom breast meat light at best and held with confidence, balance of white meat light to adequate. The market tone on frozen thigh meat was mixed ranging from firm on product destined for Russia to instances barely steady for other destinations, fresh thigh meat steady at best. Demand good on thigh meat for export, domestic light to instances moderate. Offerings held with varied degrees of confidence. The market tone on mechanically separated turkey fully steady to firm. Demand moderate to good with supplies short of buyers needs. For domestic: breast skin pieces 15-20; fresh scapula 119-126 mostly 119-120; fresh breast trim 152; Grade A non-basted 8-10 lb. 105, 12-14 lb. 130, 14-16 lb. 133; plant grade non-basted: 10-12 lb. 102, 14-16 lb. 122-125, 16-18 lb. 122; Grade A basted 12-14 lb. breasts 120; plant grade basted 20-24 lb. breasts 135 cents delivered. For export: livers 22.50 and tom defatted gizzards 55 cents shipping point, fresh thigh meat 91 cents delivered.

EXPORT TRADING	PRICE	L.S.T.	WTD AVG	VOLUME	WEEKLY	WEEKLY
FRIDAY, APRIL 01, 2005	RANGE	CODE 1/	PRICE	(000)	PRICE	(000)
DRUMSTICKS, TOMS	38.50-41.00		40.52	588	40.62	968
WINGS FULL-CUT - TOMS	27.00-30.00		28.30	184	28.82	704
WINGS, V-TYPE, TOM		R	38.00	104	44.43	364
TAILS						
MECHANICALLY SEPARATED 2/	34.00		34.00	40	32.87	92
THIGH MEAT - FROZEN	82.00-90.00		86.37	716	87.44	2400

EXPORT TRADING	PRICE	L.S.T.	WTD AVG	VOLUME
THURSDAY, MARCH 31, 2005	RANGE	CODE 1/	PRICE	(000)
DRUMSTICKS, TOMS	40.00-41.00		40.76	340
WINGS FULL-CUT - TOMS	29.00		29.00	520
WINGS, V-TYPE, TOM	38.00		38.00	104
TAILS				
MECHANICALLY SEPARATED 2/	32.00		32.00	52
THIGH MEAT - FROZEN	86.00-89.00		86.94	552

EXPORT TRADING	PRICE	L.S.T.	WTD AVG	VOLUME
WEDNESDAY, MARCH 30, 2005	RANGE	CODE 1/	PRICE	(000)
DRUMSTICKS, TOMS	41.00		41.00	40
WINGS FULL-CUT - TOMS		R	31.00	30
WINGS, V-TYPE, TOM		T	39.00	52
TAILS				
MECHANICALLY SEPARATED 2/		W	30.00	52
THIGH MEAT - FROZEN		T	86.00	52

EXPORT TRADING	PRICE	L.S.T.	WTD AVG	VOLUME
TUESDAY, MARCH 29, 2005	RANGE	CODE 1/	PRICE	(000)
DRUMSTICKS, TOMS		F	38.32	252
WINGS FULL-CUT - TOMS		R	31.00	30
WINGS, V-TYPE, TOM	39.00		39.00	52
TAILS				
MECHANICALLY SEPARATED 2/		W	30.00	52
THIGH MEAT - FROZEN	86.00		86.00	52

EXPORT TRADING	PRICE	L.S.T.	WTD AVG	VOLUME
MONDAY, MARCH 28, 2005	RANGE	CODE 1/	PRICE	(000)
DRUMSTICKS, TOMS		F	38.32	252
WINGS FULL-CUT - TOMS		R	31.00	30
WINGS, V-TYPE, TOM	49.00		49.00	208
TAILS				
MECHANICALLY SEPARATED 2/		W	30.00	52
THIGH MEAT - FROZEN	88.00-89.00		88.48	1,080

1/ CODES FOR LAST SIGNIFICANT TRADE (L.S.T.): M=MONDAY T=TUESDAY W=WEDNESDAY R=THURSDAY F=FRIDAY

2/ Product contains 15-20% fat with skin added.